

## Proposed budget

Line #		Nov Month 1	Dec Month 2	Jan Month 3	Feb Month 4	Mar Month 5	Apr Month 6	Total
1	Beginning balance (see note)	\$ 12,813,839	\$ 15,411,162	\$ 14,831,748	\$ 13,853,145	\$ 13,407,860	\$ 13,088,574	\$ 12,813,839
2	Plus: Receipts							
3	Annuity income (see note)	3,197,608	-	-	-	-	-	3,197,608
4	Highland Stargate salary	1,717	1,717	1,717	1,717	1,717	1,717	10,305
5	Social Security	2,695	2,695	2,695	2,695	2,695	2,695	16,170
6	Great Western annuity	1,848	1,848	1,848	1,848	1,848	1,848	11,090
7	CA Harvest Plan (401k) (see note)	-	14,872	-	-	-	-	14,872
8	Arlington Stoneridge	149	149	149	149	149	149	892
9	I Shares Dividend (JP Morgan) (see note)	-	26,000	-	-	26,000	-	52,000
10	Sub-total	3,204,018	47,281	6,409	6,409	32,409	6,409	3,302,937
11	Minus: Disbursements							
12	Dallas residence							
13	Taxes (see note)	-	-	(81,142)	-	-	-	(81,142)
14	Insurance (see note)	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	(4,725)	(28,348)
15	Utilities (see note)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(15,000)
16	Services (see note)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(2,200)	(13,199)
17	Cable / phone (see note)	(750)	(750)	(750)	(750)	(750)	(750)	(4,499)
18	Storage space	(204)	(204)	(204)	(204)	(204)	(204)	(1,224)
19	Club charges	(383)	(383)	(383)	(383)	(383)	(383)	(2,299)
20	Auto insurance	(807)	(807)	(807)	(807)	(807)	(807)	(4,839)
21	Household maintenance and expenses (see note)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(12,000)
22	Sub-total - Dallas residence	(13,568)	(13,568)	(94,710)	(13,568)	(13,568)	(13,568)	(162,551)
23	Family Office							
24	Monthly allocation (see note)	-	-	(309,320)	-	-	(309,320)	(618,641)
25	Monthly billed (see note)	-	-	(32,855)	-	-	(32,855)	(65,710)
26	Sub-total - Family Office	-	-	(342,175)	-	-	(342,175)	(684,350)
27	Book Business							
28	Monthly billed + expenses (see note)	(32,454)	(32,454)	(32,454)	(32,454)	(32,454)	(32,454)	(194,724)
29	Other							
30	Family blanket valuables policy	(4,025)	(4,025)	(4,025)	(4,025)	(4,025)	(4,025)	(24,150)
31	Out of pocket medical (see note)	(500)	(500)	(500)	(500)	(500)	(500)	(3,000)
32	Support for elderly family/friends (see note)	(6,982)	(6,982)	(6,982)	(6,982)	(6,982)	(6,982)	(41,892)
33	Explore - real estate (see note)	(29,166)	(29,166)	(29,166)	(29,166)	(29,166)	(29,166)	(174,996)
34	Sub-total - Other	(40,673)	(40,673)	(40,673)	(40,673)	(40,673)	(40,673)	(244,038)
35	Total Disbursements (Pre-Legal)	(86,695)	(86,695)	(510,012)	(86,695)	(86,695)	(428,870)	(1,285,663)
36	Legal Defense (see note)							
37	Attorneys	-	(100,000)	(100,000)	-	-	-	(200,000)
38	Appeal	-	(100,000)	(100,000)	(100,000)	(75,000)	(75,000)	(450,000)
39	Other	(210,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(360,000)
40	Sub-total - Legal Defense	(210,000)	(230,000)	(230,000)	(130,000)	(105,000)	(105,000)	(1,010,000)
41	Bankruptcy (see note)							
42	Legal	(200,000)	(200,000)	(150,000)	(150,000)	(100,000)	(100,000)	(900,000)
43	Accounting	(100,000)	(100,000)	(75,000)	(75,000)	(50,000)	(50,000)	(450,000)
44	Other	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(60,000)
45	UST	-	-	(10,000)	-	-	(10,000)	(20,000)
46	Sub-total - Bankruptcy	(310,000)	(310,000)	(245,000)	(235,000)	(160,000)	(170,000)	(1,430,000)
47	Total Disbursements	(606,695)	(626,695)	(985,012)	(451,695)	(351,695)	(703,870)	(3,725,663)
48	Ending Cash	<u>\$ 15,411,162</u>	<u>\$ 14,831,748</u>	<u>\$ 13,853,145</u>	<u>\$ 13,407,860</u>	<u>\$ 13,088,574</u>	<u>\$ 12,391,113</u>	<u>\$ 12,391,113</u>

## Budget Notes

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### General Notes:

- Source of information obtained from Highland Stargate CFO, Keeley Hennington and is based on the Debtor's general financial history.
- Reflected on a cash basis except where specifically noted.

### Line Item Notes:

Line item 1: The cash balance includes the Debtor's book balance of cash on hand as of October 19, 2014.

Line item 3: Annuity income is received on an annual basis (typically October). The Debtor's 2014 annuity income has been estimated as follows:

Annuity Income (received annually in October-November)

		Collection Est
<u>To be received:</u>	<u>Gross</u>	<u>Net of Tax</u>
West Carroll	\$ 942,157	\$ 565,294
Richland Limited	1,130,589	678,353
Morehouse Limited	964,416	578,650
Sarnia Limited	2,292,185	1,375,311
Sub-total	5,329,347	3,197,608
 <u>Already received (included in cash balance)</u>		
Devotion Limited	5,711,781	3,427,069
 <u>No payment expected in the near term</u>		
Moberly Limited	8,028,598	-
Locke Limited	9,932,801	-
Audubon Limited	5,793,464	-
Yurta Faf Limited	1,007,096	-
Sub-total	24,761,959	-
 Total	\$ 35,803,087	\$ 6,624,677

Line item 7: Represents a required minimum distribution from the Debtor's 401k account and has typically been initiated on an annual basis and received in December.

Line item 9: Represents dividends paid on a quarterly basis.

Line item 13: Represents annual property tax payment estimated to be paid in January 2015. Amounts not currently set aside as an escrow or reserve.

## Budget Notes

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Line item 14: Represents monthly property insurance premium. Historically amounts are paid on an annual basis in May (however are reflected on an accrual basis herein for the anticipated 2015 payment).

Line items 15-17: See detail attached.

Line item 21: Represents estimates for grocery and household expenses paid via credit cards.

Line item 24: As further detailed in the Debtor's Motion for Order on Estate Administration, on a quarterly basis, the Debtor pays in advance his projected allocable share of the operating costs of Highland Stargate.

Line item 25: Also as further detailed in the Debtor's Motion for Order on Estate Administration, the Debtor pays in advance costs for the Debtor for several persons who work directly for the Debtor. Additional detail is attached for the current proposed payments.

Line item 28: Represents expenses relating to individuals who provide assistance on the Debtor's writing and publishing projects as further described in the Debtor's Expedited Motion for Order on Estate Administration [Docket No. 5].

Line item 31: Represents estimates for additional medical expenses relating to out of network and out of pocket charges. Estimates are based on current levels (historical amounts have fluctuated and have been as high as \$16,000 per month).

Line item 32: Represents monthly humanitarian support provided to elderly family and friends and is subject to change.

Line item 33: Real estate funding reflects mortgage payment amounts related to the Explore property as further described in the Debtor's Expedited Motion for Order on Estate Administration [Docket No. 5]. The Debtor is a guarantor of the mortgage debt.

Lines 36-40: Reflects the estimated accruals for expenses, professional fees and costs relating to the conclusion of Case No. 10-05760 a civil action pending in the United States District Court for the Southern District of New York styled Securities and Exchange Commission v. Samuel Wyly, and Donald R. Miller, Jr. in his Capacity as the Independent Executor of the Will and Estate of Charles J. Wyly, Jr. (the "District Court Action") and any appeal arising therefrom. This amount may be increased to reflect additional fees/costs of an expert witness.

Lines 41-46: Reflects the estimated Bankruptcy expenses for the administration of the Debtor's case including professional fees, costs and fees payable to the United States Trustee. Retainers have been paid and are further detailed in the respective professionals (Case Professionals) applications for employment. The fees and costs are reflected on an accrual basis (actual payments would be made pursuant to Court Order as further proposed in the Debtor's Motion to Establish Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Case Professionals).

## Proposed budget

Additional detail (utilities, services, cable/phone &amp; other Highland)

	<u>Month 1</u>	<u>Annual</u>
Utilities		
Green Mountain Energy	(1,340)	(16,080)
Town of Highland Park	(570)	(6,840)
Atmos Energy	(520)	(6,240)
Apex Security	(48)	(577)
Other	(22)	(264)
	<u>(2,500)</u>	<u>(30,001)</u>
Services		
Roberts Pool Service	(244)	(2,923)
Pearl Cove Landscaping	(1,619)	(19,433)
Mosquito	(147)	(1,764)
All Right Pest Control	(56)	(669)
Other	(134)	(1,608)
	<u>(2,200)</u>	<u>(26,397)</u>
Cable / Phone		
Direct TV	(221)	(2,647)
Time Warner Cable	(210)	(2,519)
AT&T	(61)	(731)
AT&T	(221)	(2,658)
Other	(37)	(444)
	<u>(750)</u>	<u>(8,998)</u>
Other Billed Highland		
Maria Merlo	(7,108)	(85,297)
Sam Wyly	(3,844)	(46,122)
	<u>(10,952)</u>	<u>(131,419)</u>